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Request For Information (RFI) Contact Person:

Meggan Harley
Contracts and Purchasing Section
701 E. Jefferson, MD5700
Phoenix, Arizona 85034

Telephone: (602) 417-4538
Telefax: (602) 417-5957
E-mail: Meggan.Harley@azahcccs.gov
Issue Date: Friday, August 3, 2012

LOCATION: ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)

Contracts and Purchasing Section (First Floor)
701 E. Jefferson, MD5700
Phoenix, Arizona 85034

DESCRIPTION:

MANAGED CARE RECOVERY AUDIT SERVICES

**INFORMATION DUE
DATE:**

September 5, 2012

AT 3:00 P.M., Arizona Time

QUESTIONS CONCERNING THIS REQUEST FOR INFORMATION (RFI) SHALL BE FORWARDED TO THE RFI CONTACT PERSON, **ON THE AHCCCS QUESTIONS FORM**, VIA E-MAIL ON OR BEFORE **AUGUST 15, 2012 AT 5:00 P.M.**, ARIZONA TIME. TELEPHONIC QUESTIONS SHALL NOT BE ACCEPTED.


Responses to this RFI must be in the actual possession of AHCCCS on or prior to the time and date and at the location indicated above. **Late responses may not be considered.**

Responses must be submitted ELECTRONICALLY with the Request number and the respondent's name and address clearly indicated on the response. All responses must be typewritten. Additional instructions for preparing a response are included in this request.

Respondents must realize that no Contract will result from your response to this request. Responding to this RFI will not prohibit the respondents from responding to any other procurements.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the person responsible for this request as identified below.

RESPONDENTS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE RFI.

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1. AHCCCS BACKGROUND

AHCCCS is the single state Medicaid agency for the State of Arizona. In that capacity it is responsible for operating the Title XIX and Title XXI programs through the State's 1115 Research and Demonstration Waiver, which was granted by the Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services. As of May 1, 2012, AHCCCS provided coverage to approximately 1.3 million members.

Over 95% of the AHCCCS program's expenditures are through managed care programs. The AHCCCS Administration contracts with 15 different Managed Care Organizations that are responsible for providing Acute, Long Term Care, and Behavioral Health Services.

A list of contracted plans can be found here:

<http://www.azahcccs.gov/applicants/healthplans/available.aspx>.


The program has a total fund budget for FY 2012 of approximately \$8.2 billion. AHCCCS has approximately 58,000 active providers such as individual medical and behavioral health practitioners, therapy disciplines, institutions, durable medical equipment companies and transportation entities. AHCCCS has an Intergovernmental Agreement with the Arizona Department of Economic Security (ADES) which provides eligibility determination services for roughly 83% of the AHCCCS population. AHCCCS and ADES receive an average of 140,000 applications per month. Refer to the AHCCCS website for information regarding AHCCCS enrollment statistics, financials and other pertinent information: <http://www.azahcccs.gov/reporting/default.aspx>. Specifically, information regarding:

- Plan enrollment may be found here:
<http://www.azahcccs.gov/reporting/enrollment/healthplans.aspx>
- AHCCCS health plan payments may be found here:
<http://www.azahcccs.gov/reporting/transparency/default.aspx>
- Health plan financial statements may be found here:
<http://www.azahcccs.gov/reporting/oversight/contractor.aspx>

2. REQUEST FOR INFORMATION BACKGROUND

A Recovery Audit Contractor (RAC) is a private entity that is contracted to identify underpayments and overpayments, and to recoup (recover) overpayments made to providers. Congress initially authorized a Medicare RAC demonstration program in 2003 (as part of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003: Pub. L. 108–173) and Medicare RACs were made permanent in the Tax Relief and Health Care Act of 2006 (Pub. L. 109–432).

Section 6411 of the Affordable Care Act of 2010 required States to establish Medicaid RAC programs. The Centers for Medicare and Medicaid Services (CMS) promulgated rules regarding the implementation of the Medicaid RAC requirements (42 CFR § 455.500 et seq), including the provision that Medicaid RACS are only required to review fee-for-service claims until a permanent Medicare managed care RAC program is fully operational or a viable state managed care model is identified and CMS undertakes rules regarding managed care RAC efforts.

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The State of Arizona has entered into a contract with Recovery Audit Specialists (RAS) to perform recovery audit work on a statewide basis. Information regarding this contract's Method of Approach may be found here:

http://www.azahcccs.gov/reporting/Downloads/CostRecoveryAudit_MethodApproach.pdf.

As part of this State contract, RAS is currently auditing 100% of the claims for the following areas within AHCCCS:

- Fee-For-Service (FFS) medical claims: July 1, 2007 through June 30, 2010
- FFS pharmacy claims: October 1, 2007 through September 30, 2010
- Managed Care Reinsurance (administered outside the capitation payments made to Contractors): October 1, 2006 through September 30, 2009

3. REQUEST FOR INFORMATION PURPOSE


Although federal regulations regarding the implementation of Section 6411 of the Affordable Care Act of 2010 (42 CFR Sections §455.500 et seq) authorizes states to exempt their managed care claims from RAC review at this time, the AHCCCS Administration is seeking information about approaches for a Medicaid Managed Care RAC. The proposed approaches must be distinct from, and not duplicate, other program integrity efforts conducted by the AHCCCS Administration (see the AHCCCS Program Integrity Plan for a summary of program integrity efforts:

<http://www.azahcccs.gov/reporting/PoliciesPlans/ProgramIntegrityPlan.aspx>).

4. REQUEST FOR INFORMATION SCOPE OF WORK

AHCCCS is exploring what opportunities may exist in the marketplace regarding a methodology for conducting a recovery audit of its services delivered through its managed care contracts (excluding reinsurance).


The proposed methodology shall conform to federal law, regulation, policy, and guidance from the Centers for Medicare and Medicaid Services (CMS). In addition to other requirements, the entity must demonstrate to the AHCCCS Administration that it has the technical capability and meets the required staffing structure and professional training requirements to carry out the activities described in 42 CFR § 455.500 et seq. To the maximum extent possible and practicable, the methodology for implementing the RAC provisions must limit the administrative burden placed on providers, including direct contact with them.

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5. REQUIRED ELEMENTS

5.1 The Detailed Written Response shall include the following:

- 5.1.2 A proposed audit methodology and detailed scope of review.
- 5.1.3 An approach/specification for data acquisition and review, including the data sources and variables that will be required to perform the proposed analysis.
- 5.1.4 A detailed description specifying how both bundled and capitated payments would be reviewed/analyzed.
- 5.1.5 A detailed description delineating how differences in health plan contractor provider payment rates are evaluated and addressed when developing and evaluating the results of the reviews.
- 5.1.6 A process describing the timelines and steps that will be used to notify providers of improper overpayments and underpayments.
- 5.1.7 A process describing the timelines and steps that will be used for recouping overpayments and compensating providers for underpayments.
- 5.1.8 An analysis and recommendations for the allocation of recouped funds or the responsibility for underpaid funds between health plan contractors and the State.
- 5.1.9 Any other information regarding a recovery audit for managed care contractors that would be helpful.
- 5.1.10 How the proposed methodologies have been deployed in other states or other similar organizations.
- 5.1.11 Information on the results of the Managed Care RAC audits in other states or organizations. Such information may include the summary findings and recommendations for addressing deficiencies or adverse findings.
- 5.1.12 Comprehensive operational and implementation cost details. Information shall include, but not be limited to, the costs associated with any technologies used, along with a description of each technology, as well as the operational costs that are anticipated. For any subsequent procurement that may follow this request for information, AHCCCS will follow the requirements of 42 CFR Sections §455.510 for contractor reimbursement. The contingency rate for identification and recovery of overpayments will not exceed that of the highest Medicare RAC as specified by CMS in the Federal Register.
- 5.1.13 Given the specialty nature of Medicaid managed care, AHCCCS is particularly interested in all tools and technologies that have been utilized in other state Medicaid and/or CHIP programs. If that information is provided, contact information for those other states should be included.

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- 5.2 Respondents may also take the opportunity to schedule a 60-minute presentation with select AHCCCS management, data and quality improvement staff to present information and display product capability. If interested in such a presentation, vendors may contact Meggan Harley at (602) 417-4538, by **September 5, 2012 3:00 p.m., Arizona Time**. Vendors must provide their own laptop and wireless connectivity if access to the internet is needed. The optimal resolution display parameter for the projector is 1024 x 768. AHCCCS reserves the right to decide if presentations will be scheduled for some or any of the respondents.
- 5.3 A completed Attachment A, Respondent's Contact Information, should be submitted to include name, title, mailing address, email address, authorized signature, and phone number of the contact person for questions relating to the RFI.

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6. HOW TO RESPOND

- 6.1 Submit one (1) electronic copy of the RFI response in portable format (Microsoft Word or PDF) via
1. CD; or
 2. USB Flash Drive; or
 3. by Email attachment.

- 6.2 Submit your response no later than **3:00 p.m., Arizona Time, September 5, 2012.**

- 6.3 Submit your response electronically or physically to :

Meggan Harley, AHCCCS Contracts and Procurement Manager
 AHCCCS Contracts and Purchasing, First Floor
 701 E. Jefferson St., MD-5700
 Phoenix, AZ 85034
Meggan.Harley@azahcccs.gov

- 6.4 **Confidential Information:** To the extent allowed by law, information contained in a response to a request for information may be considered confidential until the procurement process is concluded or for two years, whichever occurs first. This RFI and responses to the RFI are subject to the Arizona Public Records law. If a respondent believes that any portion of its RFI response is confidential and/or not subject to disclosure under the Arizona Public Records law, the respondent must clearly identify those portions of its response and include a statement detailing the reasons why the information should not be disclosed and listing the specific harm or prejudice that may arise from disclosure. In the event the agency receives a public records request for responses to this RFI, AHCCCS personnel shall determine whether the identified information is subject to disclosure under the law.
- 6.5 **Reimbursement:** AHCCCS will not reimburse any respondent for the cost of preparing and submitting a response to the RFI.
- 6.6 **Conclusion:** This RFI is a request for additional information from the vendor community. Unless existing contracts are already in place, AHCCCS would need to pursue formal procurement prior to selection of any new product or tool.



Attachment A – Respondent's Contact Information

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AHCCCS

Arizona Health Care Cost Containment
System

701 East Jefferson, MD 5700

Phoenix, Arizona 85034

Arizona Transaction (Sales) Privilege Tax License No.:

Federal Employer Identification No.:

E-Mail Address: _____

Company Name

Address

City State Zip

For clarification of this response, contact:

Name: _____

Phone: _____

Fax: _____

Signature of Person Authorized to Sign

Printed Name

Title